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HE STATED THAT RECOMMENDATIONS OF ALL PARTICIPANTS WILL BE CONSIDERED CAREFULLY AND IN GOOD FAITH IN SEEKING AND IN REACHING CONSENSUS RECOMMENDATIONS AND RESOLUTIONS.

THE CONSENSUS PROCESS IS TO BE FREE FROM INTEREST GROUP DOMINANCE, REQUIRING THAT ALL VIEWS AND OBJECTIONS BE CONSIDERED. THIS REQUIRES THAT A CONCERTED EFFORT BE MADE TOWARD ISSUE RESOLUTION. UNDER SOME CIRCUMSTANCES, CONSENSUS IS ACHIEVED WHEN THE MINORITY NO LONGER WISHES TO ARTICULATE ITS OBJECTION.

#### WORKING GROUP CHAIRPERSON RESPONSIBILITY

MR. KELLEY EXPLAINED THAT IT IS THE RESPONSIBILITY OF THE WORKING GROUP CHAIRPERSON TO:

- \* FACILITATE ADHERENCE TO WORKING GROUP PRINCIPLES AND PROCEDURES.
- \* PRESIDE AT WORKING GROUP MEETINGS.
- \* ESTABLISH WORKING GROUP MEETING AGENDAS WITH WORKING GROUP PARTICIPANTS.

MR. KELLEY STATED THAT THERE WILL BE A SUMMARY MEETING RECORD TO KEEP ALL PARTICIPANTS INFORMED OF THE WORKING SESSION. HE STATED THAT PROBABLY THERE WILL BE AN INFORMAL WORKING SESSION ABOUT 90% OF THE TIME AND EVERYONE IN THE ROOM CAN FULLY PARTICIPATE. THERE WILL BE DETAILED MEETING RECORDS DURING THE FORMAL WORKING GROUP AND THAT IS WHERE THE WORKING GROUP WILL WORK TO THE CONSENSUS FOR EACH ENTITY HAVING ONE DELEGATE OR ONE REPRESENTATIVE PRESENT AT THE TABLE FOR RECORD PURPOSES. THE DETAILED MEETING RECORDS WOULD STATE THOSE OPINIONS OR ISSUES THAT ARE CONTRARY TO WHAT THE MAJORITY WANT. THEY WILL BE PART OF A DETAILED MEETING RECORD. ON A DETAILED RECORD, IT IS NOT A VERBATIM BUT EACH ISSUE/PARTICIPANT MUST BE PROPERLY ADDRESSED IN A DETAILED MEETING RECORD. HE ALSO EXPLAINED THAT THE DETAILED MEETING RECORD, AS ADOPTED BY THE GROUP WILL BE FORWARDED TO THE FCC AS THE EX PARTE PRESENTATION OF THE GROUP.

MR. KELLEY ASKED THE PARTICIPANTS IF THEY HAD ANY COMMENTS/QUESTIONS ON THE MEETING RECORD.

PRESS RELEASES/MEDIA RELATIONS

MR. KELLEY EXPLAINED THAT PARTICIPANTS DO NOT INDIVIDUALLY GO OUT TO THE PRESS ABOUT THE WORKING GROUP DISCUSSION. HE STATED THAT UNDER THE FCC EX PARTE RULES AS WELL AS THE SUNSHINE ACT OF GUAM THESE MEETINGS ARE REQUIRED TO BE OPEN TO THE PRESS. THE PRESS WAS NOTIFIED IN A PRESS RELEASE THAT WAS SENT OUT LAST WEEK. HE ALSO STATED THAT AS FAR AS ANY ACTUAL PRESS RELEASES HE ASKED THAT IT COME FROM THE WORKING GROUP AS A WHOLE.

WORKING GROUP PROCEDURES

MR. KELLEY EXPLAINED THAT THE PROCEDURES ARE APPLICABLE TO ALL WORKING GROUP ACTIVITIES.

FORMAL SESSIONS ARE THOSE SESSIONS IN WHICH DETAILED MINUTES WILL BE KEPT FOR SUBMISSION TO THE FEDERAL COMMUNICATIONS COMMISSION. DURING THE FORMAL SESSIONS, EACH ENTITY WILL ONLY HAVE ONE OFFICIAL DELEGATE.

INFORMAL SESSIONS ARE WHERE THE ISSUES WILL BE DISCUSSED IN DETAIL. ALL PERSONS PRESENT WILL BE ENTITLED TO PARTICIPATE IN AN ORDERLY MANNER UNDER THE CONTROL OF THE WORKING GROUP CHAIR OR DESIGNEE.

MR. KELLEY ASKED IF THE PARTICIPANTS HAD ANY OBJECTIONS TO ADOPTING THE PROCEDURES FOR THE OPERATING AND THE REMAINDER OF THE WORKING GROUP.

MR. KELLEY ASKED IF THERE ANY OBJECTIONS TO ADOPTING THE PRINCIPLES AND PROCEDURES BY CONSENSUS, IT CAN BE CHANGED LATER ON AS IT IS STATED.

OPENING REMARKS

MR. KELLEY ASKED THE PARTICIPANTS IF THERE WERE ANY OPENING REMARKS ON THE OBJECTIVES OF THE WORKING GROUP. HE ALSO ASKED IF ANY PARTICIPANTS WOULD LIKE TO GIVE BRIEF COMMENTS ON WHAT THEIR COMPANY WOULD LIKE TO DISCUSS.

MR. KELLEY INFORMED PARTICIPANTS THAT ONCE RATE INTEGRATION IS IMPLEMENTED FOR GUAM IT WILL BE AN EXPECTATION OF EVERY CUSTOMER/CARRIER IN THE UNITED STATES THAT WILL BE CALLING GUAM DOMESTIC. HE STATED THAT ON OR ABOUT JULY 1, 1997, THE NUMBER CHANGE WILL BE IMPLEMENTED WITH THE AREA CODE 671.

MR. KELLEY EXPLAINED TO THE PARTICIPANTS "EXPLICIT SUBSIDY" VERSUS "IMPLICIT SUBSIDY". HE DEFINED THE FOLLOWING DEFINITIONS:

"EXPLICIT SUBSIDY" IS WHERE THERE IS MONEY SUCH AS UNIVERSAL SERVICE FUND OR SUCH AS DONE IN THE ALASKA RATE CASE.

"IMPLICIT SUBSIDY" IS THE WAY AT&T OPERATES PRIMARILY BUT THERE ARE OTHER CARRIERS AMONG THE LARGER ONES WHERE THEY TAKE THE CALLS ON A GEOGRAPHIC RATE AVERAGE BASIS, BASED UPON MILEAGE. THEY TAKE THE COST OF THE MILEAGE FANS KNOWING THAT SOME AREAS COST MORE THAN OTHERS TO SERVE BUT THEY SET AN EXACT RATE FOR THAT PARTICULAR MILEAGE FAN. IN SOME AREAS THEY ARE MAKING A REASONABLE PROFIT AND IN SOME AREAS THEY MAY LOSE BUT OVERALL FOR THAT THEY ARE MAKING A PROFIT, OTHERWISE THEY WILL NOT STAY IN BUSINESS.

MR. KELLEY STATED THE WORKING GROUP NEEDS TO LOOK AT WHAT TYPE OF ASSISTANCE TO EXTEND TO THE CARRIERS. HE STATED "SHOULD IT BE ONLY CARRIERS THAT ARE UNIQUELY SERVING GUAM OR SHOULD THE SAME AMOUNT OF MONEY BE GIVEN TO ALL CARRIERS ON GUAM. HE ALSO STATED THAT THERE IS GOING TO BE AN EXPLICIT SUPPORT AND THAT AGAIN WHERE SHOULD THOSE FUNDS BE SUPPORTED AND WHO IS GOING TO ADMINISTER THE FUNDS AND HOW THE FUNDS ARE TO BE DISTRIBUTED. AT&T AND THEIR FILING SUGGESTED THAT EXPLICIT FUNDING COME UNDER THE UNIVERSAL SERVICE FUND. MR. KELLEY INFORMED THE PARTICIPANTS THAT THE GOVERNOR OF GUAM ACTUALLY DID FILE FOR SOME EXPLICIT SUBSIDY IN RELATIONSHIP TO THE SATELLITE.

MR. KELLEY STATED THAT THE PARTICIPANTS NEED TO DISCUSS THE ALASKA MODEL BECAUSE THAT WAS THE LAST PLACE RATE INTEGRATION WAS IMPLEMENTED. HE ALSO STATED THAT THE LAST MODEL CAN BE APPLIED TO THE GUAM BASED CARRIERS THAT ARE ONLY GUAM BASED IF THEY CAN EXTEND PRICE DIFFERENCES OR PRICE SUPPORT MECHANISM TO THOSE ENTITIES. HE ALSO STATED THAT FINALLY THE PARTICIPANTS CAN

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LOOK AT THE STRAIGHT UNIVERSAL SERVICE, THE FOURTH MECHANISM, THAT SHOULD BE GIVEN TO EACH CARRIER SERVING GUAM.

MR. KELLEY OPENED THE FLOOR FOR REMARKS/COMMENTS.

MR. JOSE PEREZ, REPRESENTATIVE, TNI, ASKED, "WILL THE IMPLEMENTATION DATE OF EQUAL ACCESS AND AREA CODE BE THE SAME".

MR. KELLEY RESPONDED THAT THE IMPLEMENTATION DATE IS SOMETHING THAT THE WORKING GROUP WOULD DISCUSS. HE STATED THAT GTA NEEDS TO BRING THIS UP FOR DISCUSSION SINCE IT IS THEIR CURRENT POSITION. HE ALSO STATED THAT IT WILL BE COST BASED AT THE TIME THE AREA CODE IS IMPLEMENTED. HE ALSO MENTIONED THAT AT THE POINT OF IMPLEMENTING THE AREA CODE, THERE WILL BE AN ACCESS CHARGE TO THE CARRIERS THAT WILL BE COST BASED. MR. KELLEY IS EXPECTING THAT THE IMPLEMENTATION COSTS BASED ON THAT DAY WILL SIMULTANEOUSLY IMPLEMENT THE RATE INTEGRATION.

MR. KELLEY STATED THAT IN AUGUST OR SEPTEMBER A STEP FORWARD FOR RATE INTEGRATION WILL BE BASED INTO THE FINAL STEP. IN JULY, 1996, GTA WAS TAKING ONE STEP IN THE INTEGRATION COMPLIANCE PLAN THAT WILL REDUCE THE INTEREXCHANGE ACCESS CHARGES BY 1/3 OF THE EXCESS CHARGES.

MR. KELLEY STATED THAT THERE IS ONE MINOR PROBLEM ON THAT. THE PROBLEM IS THE SAME RATE INTEGRATION PROCEEDING WE'RE PARTICIPATING IN. HE ALSO STATED THAT THERE ARE MANY QUESTIONS ON HOW THE U.S. IS GOING TO DIVIDE UP THE ACCESS CHARGES FOR INTEREXCHANGE TRAFFIC IN THE FUTURE. FOR INSTANCE, THERE IS CURRENTLY A CHARGE KNOWN AS THE RESIDENTIAL FLICK CHARGE OR THE FIBER LINE CHARGE OF \$3.50 BY THE FCC IN THE U.S. THERE ARE DISCUSSIONS GOING ON WITH THE LAST SET OF FILING BECAUSE IT CAN GO AS HIGH AS \$57.00 IN THE U.S. THEREFORE, THERE MAY BE TOTAL SHIFTS ON HOW TO FUND LONG DISTANCE ACCESS THROUGHOUT THE U.S.

MR. MALONEY STATED THAT IN REGARDS TO TIMING AND AN INCREASE IN CHARGES BY GTA TO LOCAL EXCHANGE SERVICES, IT WOULD BE A WISE THING TO SEE THAT WHENEVER PRICES GO UP, RATE INTEGRATION WILL COME IN AND LOWER THE COST OF LONG DISTANCE.

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MR. SANTOS EXPRESSED HIS CONCERN THAT ON JULY 16, 1994, THE FCC RULED THAT FEATURE GROUP D WAS APPROPRIATE AND NOTHING HAS BEEN DONE. HE ASKED FOR CLARIFICATION ON WHAT THE GOVERNOR'S EXPECTATION IS WITH RESPECT TO THE WORKING GROUP ON WHEN FEATURE GROUP D WILL BE IMPLEMENTED.

MR. KELLEY RESPONDED THAT THE IMPLEMENTATION OF FEATURE GROUP D WILL BE DISCUSSED AT THE NEXT GTA BOARD OF DIRECTORS MEETING.

MR. KELLEY STATED THAT REGARDING SYMMETRICAL DIALING - THE GOVERNOR'S OFFICE ANNOUNCED THAT ON JULY 1, 1997, IT IS EXPECTED TO IMPLEMENT AREA CODE.

MR. KELLEY ASKED IF THERE WAS ANY OTHER DISCUSSION. HE ENCOURAGED THE PARTICIPANTS TO BRING AS MANY ISSUES FOR DISCUSSION. HE ASKED THAT THE PARTICIPANTS CONTACT MS. SMITH, RECORDING SECRETARY, FOR A LIST OF WHAT DOCUMENTS ARE NEEDED.

THERE BEING NO FURTHER DISCUSSION, THE MEETING ADJOURNED AT 11:00 A.M.

SUBMITTED BY,

ROBERT F. KELLEY, JR.  
TELECOMMUNICATIONS ADVISOR  
TO THE GOVERNOR

# DRAFT

## GOVERNOR OF GUAM RATE INTEGRATION WORKING GROUP

SUMMARY MINUTES  
TUESDAY, MAY 21, 1996  
9:00 A.M.

GUAM TELEPHONE AUTHORITY CONFERENCE ROOM

THE SECOND MEETING OF THE RATE INTEGRATION WORKING GROUP WAS CALLED TO ORDER BY MR. ROBERT KELLEY, TELECOMMUNICATIONS ADVISOR TO THE GOVERNOR, ON TUESDAY, MAY 21, 1996 AT 9:30 A.M. IN THE GTA CONFERENCE ROOM.

PARTICIPANTS PRESENT: ATTY. ROBERT TORRES, IT&E; MR. FRANK LIZAMA, VICE PRESIDENT, PCI; MR. ROBERT MALONEY, CHAIRMAN AND CEO; PCI; MR. DANNY SANTOS, GENERAL MANAGER, SPRINT; MR. JOHN BORLAS, PRESIDENT, IT&E OVERSEAS, INC.; MS. RENA WANG, BOARD MEMBER, GTA BOARD OF DIRECTORS; MR. VICENTE M. CAMACHO, GTA GENERAL MANAGER; MR. JOSE S. PEREZ, REPRESENTATIVE, TNI; MR. TOM CAMACHO, REPRESENTATIVE, SENATOR ADA'S OFFICE; MR. RIC NOVAK, REPRESENTATIVE, GUAM CABLE TELECOM; MR. FRANK DELA ROSA, GTA ACTING PLANT MANAGER; MR. CARL LEON GUERRERO, GTA CHIEF ENGINEER; MR. LITO C. GERMAN, ACCESS TELECOM; MR. VICTOR REYES, ACCESS TELECOM; MS. ADELEINE ARRIOLA, GOVERNOR'S OFFICE; MR. SAM HILL, GTA COMMUNICATIONS MANAGER; MS. MONESSA L. CRUZ, PUBLIC UTILITIES COMMISSION; MR. TONY MOSLEY, REPRESENTATIVE, MCI; MR. TERRENCE M. BROOKS, CHAIRMAN, PUBLIC UTILITIES COMMISSION; AND MR. CARL THORNSSEN, COOPERS AND LYBRAND CONSULTING; AND MS. JULIE D. SMITH, RECORDING SECRETARY.

### I. DISCUSSION ON ISSUES

MR. KELLEY STATED THAT THE FOLLOWING ISSUES WERE PRESENTED TO THE PARTICIPANTS FOR DISCUSSION:

#### ISSUE NO. 1 - MILEAGE BANDS

ORIGINATOR'S IDENTITY: MR. JOHN BORLAS, PRESIDENT, IT&E

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ISSUE NO. 2 - COMSAT DESIGNATION

ORIGINATOR'S IDENTITY: MR. JOHN BORLAS, PRESIDENT, IT&E

ISSUE NO. 3 - GEOGRAPHIC SCOPE OF RATE INTEGRATION

ORIGINATOR'S IDENTITY: MR. DANNY SANTOS, GENERAL MANAGER, SPRINT

ISSUE NO. 4 - WHAT DOES THE GUAM GROUP DEFINE AS RATE INTEGRATION?

ORIGINATOR'S IDENTITY: MR. DANNY SANTOS, GENERAL MANAGER, SPRINT

ISSUE NO. 5 - IF A PARTICULAR SERVICE OR GROUP OF SERVICES IS DETERMINED TO BE SUBJECT TO REQUIREMENTS OF RATE INTEGRATION, TO WHAT EXTENT MAY COSTS OF SERVICE (E.G. DISTANCE; TYPE OF FACILITIES) BE CONSIDERED IN SETTING RATES TO AND FROM THE NEW POINTS TO BE INTEGRATED?

ORIGINATOR'S IDENTITY: MR. DANNY SANTOS, GENERAL MANAGER, SPRINT

ISSUE NO. 6 - WHETHER AND HOW RATE INTEGRATION AND COMPETITION CAN COEXIST?

ORIGINATOR'S IDENTITY: MR. DANNY SANTOS, GENERAL MANAGER, SPRINT

ISSUE NO. 7 - SUBSCRIBER LINE CHARGE

ORIGINATOR'S IDENTITY: MR. TERRENCE M. BROOKS, CHAIRMAN,  
PUBLIC UTILITY COMMISSION

ISSUE NO. 8 - RATE INTEGRATION

ORIGINATOR'S IDENTITY: MR. VICENTE M. CAMACHO, GENERAL MANAGER  
GUAM TELEPHONE AUTHORITY

ISSUE NO. 9 - COMPETITION ON GUAM

ORIGINATOR'S IDENTITY: MR. VICENTE M. CAMACHO, GENERAL MANAGER  
GUAM TELEPHONE AUTHORITY

ISSUE NO. 10 - ADMINISTRATION OF FUNDS

ORIGINATOR'S IDENTITY: MR. VICENTE M. CAMACHO, GENERAL MANAGER  
GUAM TELEPHONE AUTHORITY

ISSUE NO. 11 - WHAT IS RATE INTEGRATION?

ORIGINATOR'S IDENTITY: MR. VICENTE M. CAMACHO, GENERAL MANAGER

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GUAM TELEPHONE AUTHORITY

ISSUE NO. 12 - HOW DO WE HANDLE THE LOCALIZED LONG DISTANCE PROVIDER?

ORIGINATOR'S IDENTITY: MR. VICENTE M. CAMACHO, GENERAL MANAGER  
GUAM TELEPHONE AUTHORITY

ISSUE NO. 13 - SUBSIDIZATION FOR PROVIDERS

ORIGINATOR'S IDENTITY: MR. VICENTE M. CAMACHO, GENERAL MANAGER  
GUAM TELEPHONE AUTHORITY

MR. THORNSEN ASKED MR. KELLEY WHAT HE PLANS ON DOING BEFORE HE CLOSES THE MEETING.

MR. KELLEY RESPONDED THAT A DETERMINATION OF HOW TO HANDLE ALL THE ISSUES THAT THE WORKING GROUP WILL BE GOING FOR SOME RESOLUTION AND IDEAS THAT ARE BEING RESEARCH THE POSSIBILITY OF AN AGREEMENT TO GET TOGETHER FOR AN INTERIM MEETING THE FOLLOWING WEEK AND PREPARATION FOR GOING TO WASHINGTON, D.C. AS BEST AS POSSIBLE. HE SAID THAT A DETERMINATION OF WHAT ADDITIONAL DOCUMENTS NEED TO BE SHARED AMONG EACH OTHER - ANYTHING THAT IS A PUBLIC DOCUMENT WITHIN THE FCC OR PUBLIC AVAILABILITY IT SHOULD BE AGREED TO SHARE TO TOTALLY SHARE WITH EACH TO GET THE INTEREXCHANGE GOING.

MR. KELLEY STATED THAT ONE THING RIGHT NOW IS PROBABLY THE WORKING GROUP WILL BE DOING THE FCC DOCUMENT THAT WAS DONE. HE STATED THAT ONLY ONE THING WAS DONE FOR INFORMAL SESSIONS IS A DETAIL RECORDING AT THE GST AND GST WILL BE NOTIFIED AS WELL AS THE BOARD AND ONE PART FOR SURE TO GO INTO TWO OR THREE PAGES SO THE BOARD WILL HAVE A COPY FOR THE BOARD MEETING ON THURSDAY, MAY 23, 1996 THAT THERE HAS BEEN A REQUEST TO DEFER THE IMPLEMENTATION DATE OF FEATURE GROUP D. HE STATED IT WILL BE THE DECISION DATE FOR THE IMPLEMENTATION OF THE FEATURE GROUP D.

MR. KELLEY STATED THAT WHAT THE WORKING GROUP WILL BE TURNING IN IS THE ISSUES OF THE DOCUMENTS THAT WILL GO TO THE FCC WILL BE A DETAILED TRANSCRIPTION WITH RESOLUTIONS FOR THERE HAS BEEN CONSENSUS AND ALSO WHETHER A DISAGREEMENT IN THE THINGS TO COME AS A BODY HAS INFORMATION OF THE FCC. HE STATED THAT BETWEEN 15-20 PAGES OF TRANSCRIPT AREAS ARE DETAILED SUMMARY BUT



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NOT VERBATIM TRANSCRIPTS OF WHAT THE WORKING GROUP HAS AGREED TO THAT WILL GO TO THE FCC.

ATTORNEY TORRES STATED THAT THERE ARE A FEW MORE ISSUES THAT WERE NOT DISCUSSED AND RECOMMENDED THAT THE WORKING GROUP SUBMIT AND COMBINE THEM AT SOME VENTURE.

MR. KELLEY ASKED THE WORKING GROUP IF THERE WAS A RECOMMENDATION IN COMBINING THE ISSUES OF THE CURRENTLY THIRTEEN (13) ISSUES. HE STATED THAT MAYBE THERE ARE SOME ISSUES THAT THE WORKING GROUP WANT TO REMAIN ACTIVE WHICH THE ONES THAT ARE DEALT THAT DO NOT NEED TO BE DISCUSSED. HE ALSO STATED THAT THESE ISSUES WILL AGAIN BE DISCUSSED AT TOMORROW'S MEETING.

MR. KELLEY INFORMED THE PARTICIPANTS THAT THEY WILL MEET TOMORROW (WEDNESDAY, MAY 23, 1996) AT 9:30 A.M.

THERE BEING NO FURTHER DISCUSSION, THE MEETING ADJOURNED AT 4:00 P.M.

SUBMITTED BY,

ROBERT F. KELLEY, JR.  
TELECOMMUNICATIONS ADVISOR  
TO THE GOVERNOR

# DRAFT

## GOVERNOR OF GUAM RATE INTEGRATION WORKING GROUP

SUMMARY MINUTES  
WEDNESDAY, MAY 22, 1996  
9:30 A.M.

GUAM TELEPHONE AUTHORITY CONFERENCE ROOM

THE THIRD MEETING OF THE RATE INTEGRATION WORKING GROUP WAS CALLED TO ORDER BY MR. ROBERT KELLEY, TELECOMMUNICATIONS ADVISOR TO THE GOVERNOR, ON WEDNESDAY, MAY 22, 1996 AT 9:30 A.M. IN THE GTA CONFERENCE ROOM.

PARTICIPANTS PRESENT: ATTY. ROBERT TORRES, IT&E; MR. ROBERT MALONEY, CHAIRMAN, AND CEO; PCI; MR. DANNY SANTOS, GENERAL MANAGER, SPRINT; MR. JOHN BORLAS, PRESIDENT, IT&E OVERSEAS, INC.; MS. RENA WANG, BOARD MEMBER, GTA BOARD OF DIRECTORS; MR. VICENTE M. CAMACHO, GTA GENERAL MANAGER; MR. JOSE S. PEREZ, REPRESENTATIVE, TNI; MR. TOM CAMACHO, REPRESENTATIVE, SENATOR ADA'S OFFICE; MR. RIC NOVAK, REPRESENTATIVE, GUAM CABLE TELECOM; MR. FRANK DELA ROSA, GTA ACTING PLANT MANAGER; MR. CARL LEON GUERRERO, GTA CHIEF ENGINEER; MR. LITO C. GERMAN, ACCESS TELECOM, MR. VICTOR REYES, ACCESS TELECOM; MR. SAM HILL, GTA COMMUNICATIONS MANAGER; MS. MONESSA L. CRUZ, PUBLIC UTILITIES COMMISSION; MR. TONY MOSLEY, REPRESENTATIVE, MCI; MR. CARL THORNSSEN, COOPERS AND LYBRAND CONSULTING; MR. DING SANTIAGO, IT&E; AND MS. JULIE D. SMITH, RECORDING SECRETARY.

### I. DISCUSSION

MR. KELLEY STATED THAT FOR THE RECORD, THE GTA BOARD OF DIRECTORS SHOULD NOT SET A SPECIFIC DATE FOR THE IMPLEMENTATION OF FEATURE GROUP D UNTIL SOMETIME AFTER THE AUGUST ORDER OR RATE INTEGRATION INTEREXCHANGE SERVICES. HE STATED THAT IT WAS AGREED WITH AN UNAMIOUS CONSENSUS FROM THE PARTICIPANTS PRESENT.

THE FOLLOWING THIRTEEN (13) ISSUES WERE DISCUSSED AT THE WORKING GROUP MEETING ON MAY 21, 1996:

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1. MILEAGE BANDS  
ORIGINATOR'S IDENTITY: MR. JOHN M. BORLAS, PRESIDENT,  
IT&E
2. COMSAT DESIGNATION  
ORIGINATOR'S IDENTITY: MR. JOHN M. BORLAS, PRESIDENT,  
IT&E
3. GEOGRAPHIC SCOPE OF RATE INTEGRATION  
ORIGINATOR'S IDENTITY: MR. DANNY SANTOS,  
GENERAL MANAGER, SPRINT
4. WHAT DOES THE GUAM GROUP DEFINE AS RATE INTEGRATION?  
ORIGINATOR'S IDENTITY: MR. DANNY SANTOS,  
GENERAL MANAGER, SPRINT
5. IF A PARTICULAR SERVICE OR GROUP OF SERVICES IS  
DETERMINED TO BE SUBJECT TO REQUIREMENTS OF RATE  
INTEGRATION, TO WHAT EXTENT MAY COSTS OF SERVICE (E.G.  
DISTANCE; TYPE OF FACILITIES) BE CONSIDERED IN SETTING  
RATES TO AND FROM THE NEW POINTS TO BE INTEGRATED?  
ORIGINATOR'S IDENTITY: MR. DANNY SANTOS,  
GENERAL MANAGER, SPRINT
6. WHETHER AND HOW RATE INTEGRATION AND COMPETITION CAN  
COEXIST?  
ORIGINATOR'S IDENTITY: MR. DANNY SANTOS,  
GENERAL MANAGER, SPRINT
7. SUBSCRIBER LINE CHARGE  
ORIGINATOR'S IDENTITY: MR. TERRENCE BROOKS, CHAIRMAN,  
PUBLIC UTILITIES COMMISSION
8. RATE INTEGRATION  
ORIGINATOR'S IDENTITY: MR. VICENTE M. CAMACHO,  
GENERAL MANAGER, GUAM TELEPHONE AUTHORITY

9. COMPETITION ON GUAM  
ORIGINATOR'S IDENTITY: MR. VICENTE M. CAMACHO,  
GENERAL MANAGER, GUAM TELEPHONE AUTHORITY
10. ADMINISTRATION OF FUNDS  
ORIGINATOR'S IDENTITY: MR. VICENTE M. CAMACHO,  
GENERAL MANAGER, GUAM TELEPHONE AUTHORITY
11. WHAT IS RATE INTEGRATION?  
ORIGINATOR'S IDENTITY: MR. VICENTE M. CAMACHO,  
GENERAL MANAGER, GUAM TELEPHONE AUTHORITY
12. HOW DO WE HANDLE THE LOCALIZED LONG  
DISTANCE PROVIDER?  
ORIGINATOR'S IDENTITY: MR. VICENTE M. CAMACHO,  
GENERAL MANAGER, GUAM TELEPHONE AUTHORITY
13. SUBSIDIZATION FOR PROVIDERS  
ORIGINATOR'S IDENTITY: MR. VICENTE M. CAMACHO  
GENERAL MANAGER, GUAM TELEPHONE AUTHORITY

MR. KELLEY STATED THAT THERE WERE TWO MORE ISSUES THAT HAVE BEEN PRESENTED BY IT&E. HE STATED THAT THE FOLLOWING BE MARKED AS FOLLOWS:

ISSUE 14: DISTANCE INSENSITIVE SATELLITE SERVICE

ISSUE 15: TIMING OF RATE INTEGRATION

MR. KELLEY INTRODUCED THE ABOVE ISSUES AND ASKED FOR DISCUSSION. HE ASKED THAT THE PARTICIPANTS GIVE THEIR VIEW ON THE ISSUES.

MR. CARL THORNSSEN, COOPERS AND LYBRAND, RECOMMENDED THAT THE WORKING GROUP IS AGREEABLE TO CERTAIN ISSUES THAT ARE OUT - THE FIFTEEN ISSUES. HE ASKED IF THE WORKING GROUP IS ACCEPTING ALL FIFTEEN ISSUES.

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MR. THORNSSEN ASKED IF THE PARTICIPANTS OBJECT TO INVITING THE CNMI, AT&T, GTE, COMSAT AND AMERICAN SAMOA IN PRIVATE CONSENSUS TO ATTEND THE RATE INTEGRATION WORK SESSION.

MR. KELLEY STATED THAT AT THIS POINT HE ASKED THAT THE WORKING GROUP GO INTO A FORMAL DISCUSSION TO SEE A CLOSURE ON THE ISSUES THAT ARE TO BE DISCUSSED. HE ASKED IF THE WORKING GROUP IF THERE WAS AN OBJECTION TO HAVE A FORMAL DISCUSSION.

MR. KELLEY STATED THAT ISSUE 15 IS TO BE CLOSED THAT ONE AS FAR AS PRACTICABLE IT IS PREFERABLE THAT THE WORKING GROUP HAVE SIMULTANEOUS IMPLEMENTATION OF EQUAL ACCESS, FEATURE GROUP D, AND NORTH AMERICAN NUMBERING PLAN (NANP) INCLUSION TO THAT GTA WILL IMPLEMENT A COST BASED TARIFF DIRECTLY WITH THE FCC OR IN ACCORDANCE WITH NECA ON THE SAME IMPLEMENTATION DATE. HE ALSO STATED THAT IT IS CONFERRABLE AND THE FCC IS ENCOURAGED TO IMPLEMENT ALL OF THE RATE INTEGRATION MECHANISMS SIMULTANEOUSLY WITH THIS IMPLEMENTATION. HE ALSO STATED THAT IF NOT POSSIBLE FOR THE SIMULTANEOUS IMPLEMENTATION THAT THE FCC AT LEAST BE SPECIFIC OF WHAT THE MECHANISM WILL BE PRIOR TO THE MARKETING OR THE BALLOTING PROCESS. HE ASKED IF THE WORKING GROUP HAD ANY OBJECTION TO THE CONSENSUS OF THE ABOVE.

MR. KELLEY ALSO STATED THE THERE WERE THREE CONSENSUS OF THE GUAM CARRIERS AND GTA AND THE PUBLIC UTILITIES COMMISSION ON THIS ISSUE.

ATTORNEY TORRES ASKED TO BE IN ABSENTIA.

MR. KELLEY STATED THAT IF THE COMMISSION CANNOT GO BY SIMULTANEOUS IMPLEMENTATION OF THE RATE INTEGRATION MECHANISM THAT THEY AT LEAST PRIOR TO THE MARKETING OF THE BALLOTING SPECIFICALLY STATE WHAT THOSE MECHANISMS WILL BE SO THEY CAN BE FACTORED INTO THE MARKETING AND TARIFF PRICES.

MR. KELLEY STATED THAT NO. 2 "COMSAT DESIGNATION" IS NOT AN ISSUE TO DEAL WITH. HE SAID THAT THERE IS CLOSURE ON TWO ISSUES BASICALLY. HE STATED THAT THE FEATURE GROUP D WAS NOT NUMBERED.

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HE ASKED THE WORKING GROUP IF THEY AGREE THAT THERE ARE FIFTEEN (15) ISSUES WHICH NUMBER 15 IS BEING CLOSED THAT THERE ARE FIFTEEN ISSUES TO BE ACCEPTED, DISCUSSED, AND ACHIEVED FOR A CLOSURE ON THE FIFTEEN ISSUES. HE ASKED IF THERE WERE ANY OBJECTION TO THE CONSENSUS OF THE FIFTEEN (15) ISSUES.

MR. KELLEY ASKED IF THE CONCEPT AND THE GOVERNOR OF THE AMERICAN SAMOA'S OFFICE BE INVITED TO THE WASHINGTON, D.C. MEETING TO PARTICIPATE IN ANY FURTHER DISCUSSION. HE ASKED IF THERE WAS ANY OBJECTION TO THAT. HE ALSO ASKED IF THERE WAS A CONSENSUS TO HAVE ANOTHER WORKING GROUP MEETING ON JUNE 3, 1996 AT 9:00 A.M. IN THE GTA CONFERENCE ROOM. HE ASKED IF MR. CARL THORNSSEN CAN BE INVITED TO ATTEND BY A CONFERENCE CALL AND RESPONDED IN THE AFFIRMATIVE.

THERE BEING NO FURTHER DISCUSSION, THE MEETING ADJOURNED AT 4:00 P.M.

SUBMITTED BY,

ROBERT F. KELLEY, JR.  
TELECOMMUNICATIONS ADVISOR  
TO THE GOVERNOR